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As of early August 1952, the Kwangsi Cooperative Affairs Administration had issued a policy directive for cooperatives in Kwangsi which included the following points:

1. In areas of Kwangsi where cooperatives have already been organized, joint cooperatives on the hsien level should be established; these joint cooperatives will be given unified direction from Communist party and governmental organizations and will support the state-operated trading organizations. If and when necessary, they will also have authority to initiate and organize small-scale exchange of native products in order to vitalize the rural economy.
2. Cooperatives must be formed on the ch'u (0575) level to serve as the basic units of the cooperative system. They will be responsible for maintaining close contact with supply selling agencies and purchasing stations in the villages; for continually studying the directives and policies related to expansion; for clearly understanding the principles of organization and business methods; and for accepting guidance from higher level cooperative organizations.
3. Already established cooperatives should support the increased production movement by stimulating the sale of farming implements and fertilizer. The principal commodities required for purchase during the current year are foodstuffs and cotton.
4. In areas where land reform has been completed, cooperatives must be organized and efforts made to bring all the production, consumption, and supply functions in rural districts under their control.
5. A general meeting of cooperative members should be called at least once a month to study and criticize business conditions and to intensify the political and business learning of the cadre personnel. An overall review and economic report of the cooperative, to be prepared semi-annually, must be publicized at these meetings.

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